January 8, 2015

PPPA 6054.10; CRN: 75060 Syllabus [Draft]

Issues in Federal Budgeting

Spring 2016

Tuesdays, 6:10 PM to 8:00 PM

B 152 Phillips

This course is a study of the federal budget process drawing on three academic disciplines: economics (neo-classical, augmented by behavioral research), which provides the analytical framework; accounting, which is key to understanding the source, relevance, and other strengths and weaknesses of current and alternative information available to decision makers; and political science, most notably the functionality of democratic fiscal institutions.

Our objective is a form of process engineering: to understand, from several perspectives, the functions, structure, performance, and potential improvements of the US federal budget process.

No textbook is required. (The most popular introductory text on budgeting for use in public administration/public policy is probably Mikesell, *Fiscal Administration.* ) But, you will find it useful to have access to principle-based texts on economics (e.g Mankiw), accounting (e.g.? TBD), and political science (e.g. Schick). A number of readings and supplementary materials will be posted on Blackboard.

Instructor: Marvin Phaup

Office hours: Tuesday 5:00 – 5:45 PM; 8:00 – 8:30 PM (and by appointment)

Cell: 202-531-1862 (text anytime)

Your Course grade will be the weighted sum of:

Average of short papers/memoranda: .45

Mid-Term: .25

Final: .30
Your short papers will be matched, to the extent feasible, with your professional interests. Topics will be agreed to, but usually proposed by instructor. You will make a presentation with Power Point slides to the class, before you write the paper. Please circulate the final draft of your paper to all members of the class, including me. In a separate memo, I propose a plan for your first presentations/papers.

Tentative Class Schedule [Adjustments as budget developments and interests warrant, e.g. failure by Congress to raise debt limit, in prospect, or fact.]


January 26: Budget formulation, four perspectives: OMB, Census, House Committee on Science, Space and Technology, Consumer Financial Protection Bureau. Execution. Mostly cash-basis accounting with exceptions: interest on debt; intra-budgetary accruals for pensions; credit. President’s budget released February 9

February 2: Accounting: financial, managerial, and budgeting, illustrated with pensions. Budgeting for credit (direct loans and loan guarantees), entitlements. Role of standard setters.

February 9: Review of President’s Budget Proposal; Capital Budgeting, analysis v. cap v. full integration. Intellectual and human capital.

February 16: Budgeting for Uncertainty, Risks and Adverse Surprises: The decennial census, war, natural disasters, and other unanticipated “emergencies”
February 23: Including performance, benefits, and alternatives in budget decisions.

March 1: The regulation-budgeting nexus: Regulatory Reform Act or full monte?

March 8: Mid-term, in-class, closed book

March 15: No Class, Spring Break

March 22: Budgeting for Food/Nutritional Assistance Programs: Issues, Successes, Shortfalls and Potential Reforms (including separation from Agriculture function).

March 29: Budgeting for Tax Expenditures

April 5: Budget Reform: Adding limits, improving cost estimates, closing coverage gaps; adding expected performance, making better budget decisions easier


April 19: (last class): Unfinished business, wrap up, review,

April 26: (Make-up class, as needed)

May 1: Final exam, time limited, take home, open book.